

Task Force on the Economic Future of Western Maryland

September 2, 2021; 1 PM

Meeting Minutes

Task Force Members in Attendance:

- Senator George Edwards, *Co-Chair*
- Delegate Jason Buckel, *Co-Chair*
- Jack Schammel, *Asst. Director of Entrepreneur and Ecosystem Empowerment, TEDCO*
- Jeff Cline, *Washington County Commissioner, MACO*
- Al Delia, *Vice President for Economic and Regional Engagement, Frostburg State University*
- Jake Shade, *Allegany County Commissioner, Tri-County Council of Western Maryland*
- Juli McCoy, *Executive Director, Allegany County Chamber of Commerce*
- Jim Hinebaugh, *Garrett County Chamber of Commerce*
- Paul Frey, *President and CEO, Washington County Chamber of Commerce*
- Andrew Sargent, *Sr. Business Development Representative, Western MD, Maryland Department of Commerce*

I. Call to Order

a. Remarks by the Co-Chairs

Senator Edwards welcomed all attendees and noted that Frostburg State University was the best place for an in-person meeting to be held. Senator Edwards noted he was glad to see representatives from businesses and economic development offices and that he was looking forward to moving the region's economy forward. Delegate Buckel also welcomed attendees and said the task force is looking for ideas and input from all. Delegate Buckel said the task force should not limit the scope of the recommendations. Senator Edwards agreed and said the task force should push for ways to get businesses to expand or move to the region and for policies that encourage young people to remain in the region.

b. Approval of minutes from July 29 meeting

The meeting minutes were approved.

II. Review 2021 Legislative Session Tracker

Michael Siers ran through the tracker. Senator Edwards noted that for Recommendation 4 and Recommendation 5, the co-chairs are looking at ways to enact those recommendations without legislation. Recommendation 10, while no legislation was specifically pushed for it in the 2021 session, likely falls under Recommendation 1.

Finally, Recommendation 13 may not need legislation but will be supported. Delegate Buckel noted on Recommendation 13 that there may be opportunities with off-road vehicle trails to encourage tourism in the region.

III. Discussion of Regional Needs with Economic Development and Business Representatives

Dr. Nowaczyk, President of Frostburg State University, welcomed task force attendees to the meeting. Dr. Nowaczyk noted that economic development is a passion of his. Dr. Nowaczyk said one goal of educational institutions should be to provide the education needs that businesses are looking for and stressed the importance of ‘just in time’ operations rather than lengthy approval processes. Dr. Nowaczyk talked about the benefits of ‘microcredentials’ and asked industry leaders to speak with Al Delia if they have any needs. Additionally, Dr. Nowaczyk mentioned potentially giving students credit for industry certificates they already have as a way to get more people credentialed for a bachelor’s or associate degree and reduce the barriers to entry. Dr. Nowaczyk noted that the university’s role does not extend to just students but that the university is looking at how to best attract businesses and industries to the area and connect with them. Dr. Nowaczyk stressed that the university is an asset and asked members of the public to connect and find ways to partner.

Shawn Bender, CEO of Beitzel Corporation, said he felt very supported by local officials. He indicated the challenges in creating a diversified economy in Western Maryland, saying the economy should not just rely on tourism but also on a mix of heavy industry and other higher paying jobs. Challenges in the region noted by Mr. Bender include the minimum wage increases and the lack of affordable housing. Mr. Bender noted that his company pays above the minimum wage but that it is still difficult for workers to find housing nearby given the high prices, especially around Deep Creek Lake. Another challenge Mr. Bender noted was drug and alcohol testing. Many customers have strict testing requirements and the company has experienced challenges in finding workers that meet these requirements.

Al Delia noted that a new study will be conducted looking at affordable housing in the Greater Cumberland region. The study will look at ways to create middle market and professional housing. Mr. Delia hoped that the study would begin shortly and said there may be some preliminary findings ready before the next legislative session. Jim Hinebaugh said that the best way to bring down the cost of new housing is to have the government subsidize the price of housing. Additionally, Mr. Hinebaugh noted that in addition to new housing challenges, the workforce in many of the skilled trades is getting older and there may be a coming knowledge gap. Mr. Hinebaugh noted that many regulations make it more expensive to build new housing. Delegate Buckel stressed that there should be ways to help lower costs for developers. Jim Hinebaugh agreed, noting that home ownership encourages residents to stay in the area rather than move out.

Chip Wood, a member of the public, commented in support of the Civil War Rail Trail. Mr. Wood emailed statistics on various economic benefits associated with parks and other rail trails and discussed those, including data from the recent MORE Commission report. Mr. Wood also provided information on a number of potential grant funding opportunities. Mr. Wood asked that the task force include more specifics on how trail projects could be supported, as well as the benefits of these projects, in its final report due in October. Delegate Wivell asked Mr. Wood for more information. Commissioner Jeff Cline noted that he was at one of the preliminary hearings for the Civil War Rail Trail, that the project had garnered push back from the local community, and that he was unaware of a change in public sentiment. Senator Edwards noted that the task force was likely to not push any specific trail project but would suggest each county work with local stakeholders to identify priority projects in their jurisdiction to bring before DNR. The task force members could help support the local teams once those projects had been agreed upon.

Rob Ferree, President of Bowman Development, spoke on workforce housing and called it 'critical.' Mr. Ferree commented that it costs more to build a home in Maryland than in West Virginia so workers move to West Virginia instead where the housing is cheaper. Delegate Buckel said that he has heard that sprinkler mandates can increase the cost of construction of new builds by tens of thousands of dollars. Delegate Buckel suggested that another bill that could be done is a property tax credit for new homeowners in Western Maryland to help defray the cost of some health and safety regulations. Mr. Ferree suggested applying the tax credit to home values under a certain amount so as to ensure it would be targeted towards professional housing and not benefiting people with second homes. Andrew Sargent asked if there were other regulations/costs that could get rolled into this tax credit. Mr. Ferree indicated that septic tank regulations are another expensive part of new construction.

Jill Thompson, Director of Community and Economic Development for the City of Hagerstown also commented on the importance of housing affordability. Ms. Thompson noted that another strategy could be to use grants or loans-to-grants to provide assistance to developers when certain criteria is met. Ms. Thompson noted that downtown housing is critical for diversifying the local economy. Another issue facing the city is the number of vacant or blighted properties. Ms. Thompson wondered if there could be funding allocated to downtown revitalization. Michael Siers noted that one use of the Western Maryland Economic Future Investment Fund would be downtown revitalization funds and perhaps some funding could fall under that if passed/enacted. Jim Hinebaugh asked if there could be a way to support first time homebuyers and Senator Edwards indicated that this could likely fall under the Western Maryland Economic Future Investment Fund as well. Delegate Buckel suggested the fund could also cover other workforce attraction bonuses like those being offered for remote workers. Stu Czapski noted that having the fund be approved was a top priority because it can be used to cover many different strategies.

Paul Frey mentioned a new Center for Business and Entrepreneurial Studies at Hagerstown Community College. The new center is looking for businesses to come in for two-year leases and will be an excellent way for businesses to partner with the college's faculty and staff.

Al Delia discussed some of the activity Frostburg State University is currently a part of in the region. Mr. Delia noted that the region is seeing more interest from companies as they realize more work will be done remotely. A large part of the university's strategy is to look at emerging industry sectors and see how the university can attract new companies in these sectors to come to the region. This would position Western Maryland as a hotspot for the new field. Frostburg State is looking at building connections in the advanced technology industry. Mr. Delia said that focusing on the new economy and new sectors allows the region to turn around a declining population while still maintaining its rural character.

Andrew Sargent commented that the Department of Commerce is seeing a lot of excitement in the region around renewable energy companies.

Jeff Barkley, the Director of the Allegany County Department of Economic & Community Development, noted that he appreciated the work the task force was doing and discussed the potential benefits of remote work on the region.

IV. Next Steps and Future Meetings

Senator Edwards asked task force members and members of the public to send policy ideas to Michael Siers who will collate them and present them to the task force's next meeting. Delegate Buckel suggested the next meeting would likely be in late September.

V. Public Comment

There was no additional public comment.

VI. Closing Remarks/Adjournment

The co-chairs adjourned the meeting. Delegate Buckel commended the task force and members of the public for the work they were doing. Delegate Buckel said that the level of communication shown was essential to making good things happen in the region and that the counties would need to work together if they were going to succeed.